

**MINUTES - BENSON CITY COUNCIL REGULAR MEETING
CITY HALL
JULY 18, 2022**

The meeting was called to order at 5:30 p.m. by Mayor Collins. Members present: Jack Evenson, Terri Collins, Jon Buyck, Mark Schreck & Lucas Olson. Members Absent: None. Also present: City Manager Glen Pederson, Police Chief Ian Hodge, Public Works Director Dan Gens, CEDA Representatives Hillary Tweed and Joshua Schuetz, Jon Dokken and Reed Anfinson. Telephonically CEDA Representative Sarah Weese.

The Council recited the Pledge of Allegiance.

The Mayor asked for any changes to the agenda. The following was added: Two Resolutions transferring Xcel funds, Water conservation and City Council filing. It was moved by Evenson, seconded by Schreck and carried unanimously to approve the amended agenda.

It was moved by Schreck, seconded by Evenson and carried unanimously to approve the following items on the consent agenda:

- July 5, 2022 City Council Minutes
- May 17, 2022 Cemetery Board Minutes
- Pioneerland Library System 2023 Operating Budget Request
- Charter Communications Chanel Changes
- WAPA Proposal for Increase to Pick-Sloan Drought Adder
- POST Board Review of Benson Police Department
- Duinck Inc. - Utility work on Wisconsin Ave. - \$172,100.85 - Final Pay Request
- Magney Construction – Clearwell - \$320,254.36 – Pay Request #1 - Balance to Finish - \$2,129,050.64
- Electronic Transfers:
 - Payroll: July 14, 2022 - \$120,105.24
 - Journal Entries: June 2022 - \$3,233,762.82

There was no one with unscheduled business.

First Tweed approached the Council to give an update on the Armory. Pederson passed out an updated budget. She said there are some options we need to look at. She said the cost of doing the project has gone up. A couple of ways to save on costs are to look for another grant for the kitchen or the kitchen can be bid out as an option and see how the bids come in. There will be more information at a future Council Meeting.

Gens approached with a City water system update. He said it has been difficult keeping the level in the water tower at an optimal level with how dry it has been. He said they have been managing pumps and feels this may be a struggle until September of this year. There are a lot of people watering yards. He said he has a list of tips how to conserve water. Pederson said water conservation tips are on the City website, on the radio and going in the Swift County Monitor Newspaper. He said he will be on the radio and will talk about it then as well. We will look at our large water users. The Council discussed notifications and if there will be a need to declare an emergency.

Pederson said there was a bid opening at 1:00 p.m. today for the new top mount pumper fire truck. Pederson presented a bid tab to the Council. The low bid came in at \$558,000. The truck committee on the Fire Department will be going through all 6 bids and come back with a recommendation at a future

meeting. He said there is currently \$218,000 in the Fire Capital Outlay fund, which means there will need to be a way to come up with the rest to purchase the fire truck.

Next Pederson said he had Thein Well pull and inspect the old Fibrominn wells. Included in the packet is the estimate on what repairs need to be done. These wells most likely will not be utilized until next year. He is wondering if we should consider making some of the repairs now because of long lead times on parts. He said we don't have to act on this estimate now as it is good for 30 days. Pederson said he will bring information to the August 1, 2022 meeting on any recommendations that they might have.

Next was an amendment to the Cemetery Policy. Alsaker said it was brought to the Cemetery Board's attention some families are purchasing bench style head stone markers in other cemeteries instead of the traditional style head stone to mark a loved one's grave. By vote of the Cemetery Board, they decided not to allow bench style headstone markers in the Benson City Cemetery as they are easily damaged. After discussion it was moved by Evenson, seconded by Buyck and carried unanimously to amend the Cemetery Policy as presented.

Pederson explained when a bond comes due, there is usually residual funds left over. It is the City's practice to transfer that extra money into a similar fund the bond was assigned to. The debt service on the pool was paid off earlier this year and Pederson is asking to transfer the balance into the pool capital outlay. Councilmember Olson then offered the following resolution:

**RESOLUTION CLOSING THE G.O. SWIMMING POOL
REFUNDING BONDS OF 2012A FUND
(RESOLUTION NO. 2022-15)**

WHEREAS, in 2012 the City of Benson refunded the Swimming Pool Construction Bonds in order to take advantage of lower interest rates, and

WHEREAS, on February 1, 2022, the final payment on these bonds were paid in accordance to the debt schedule, and

WHEREAS, there remains a cash balance of \$49,651.44 and delinquent tax receivable from the levy of taxes to make the debt service payments, and

WHEREAS, the City of Benson wishes to use the remaining funds for similar uses.

NOW, THEREFORE BE IT RESOLVED that the Director of Finance calculate the balance due and to transfer all remaining balances and taxes receivable into the General Capital Outlay fund for Swimming Pool Capital Outlay.

Councilmember Buyck seconded the foregoing resolution and the following vote was recorded: AYES: Evenson, Olson, Collins, Buyck, Schreck. NAYES: None. Thereupon the Mayor declared Resolution 2022-15 duly passed and adopted.

Pederson presented preliminary budget information to the Council. First, he discussed the PILOT program from XCEL. Last year we received our first payment. It was the Council's decision to distribute that payment to the City, County and School District 777. We have received the 2022 payment. The City Council decided to hang on to the 2022 PILOT payment to prop up our budget over the next 3 years. This one-third payment still does not cover the \$465,000 deficit we have experienced. This year we transferred \$150,000 from the utility fund to make up the difference and make the budget whole. Pederson went on to say recently School Superintendent Laumeyer met with him asking for a second payment. Pederson explained the City Council decided they needed to hang on to the money to help with their revenue loss in taxes and that if there was a change he would let Laumeyer know. He then reminded the Council they need to set the preliminary levy and budget in September for 2023.

The next budget item of discussion was the Nature Energy Tax Capacity Estimate. He compared the Fibrominn tax capacity to an estimate of what Nature Energy's might be. Their taxes will be based on what Nature Energy will put into the property, the value the Swift County Assessor will put on the property, and the tax capacity. He is guessing the tax revenue will be 1/3 to 1/2 of Fibrominn's. We will have to figure out how to make up the difference by either increasing the levy or cutting budgets. He ended with there will be hard decisions to be made in the next 2 years.

Pederson presented the preliminary 2023 property tax levy, and a summary budget. He said if there is a \$270,000 short fall, it will mean either an 18% levy increase or a 7% budget cut or a combination thereof. He said possible sources to fill the gap are the capital outlay funds or General fund. We still have the American Rescue Fund monies. He will be sending budget sheets to department heads and work on the preliminary budget numbers.

It was moved by Evenson, seconded by Schreck and carried unanimously to approve the bills and warrants in the amount of \$1,338,547.94.

Councilmember Evenson offered the following resolution:

**RESOLUTION AUTHORIZING TRANSFER OF XCEL ENERGY GRANT DOLLARS FOR
ECONOMIC DEVELOPMENT PURPOSES
(RESOLUTION 2022-16)**

WHEREAS, the City Council of the City of Benson, County of Swift, State of Minnesota, received grant dollars from Northern State Power (Xcel Energy) as part of the Benson Power LLC biomass plant closing, and;

WHEREAS, these grant dollars are limited in use for the purposes of economic development, and;

WHEREAS, the Council has determined that water treatment improvements qualify as an economic development purpose, and;

WHEREAS, the following projects are authorized use of grant dollars:

Name	Budget	Transfer Out
2020 Clear Well Project	\$2,644,805.00	\$320,254.36

NOW, THEREFORE, BE IT RESOLVED that \$320,254.36 as itemized on the attached invoices to be transferred from the NSP Grant Fund to the Water Fund.

Councilmember Olson seconded the foregoing resolution and the following vote was recorded: AYES: Evenson, Olson, Collins, Buyck, Schreck. NAYES: None. Thereupon the Mayor declared Resolution 2022-16 duly passed and adopted.

Councilmember Olson offered the following resolution:

**RESOLUTION AUTHORIZING TRANSFER OF XCEL ENERGY GRANT DOLLARS FOR
ECONOMIC DEVELOPMENT PURPOSES
(RESOLUTION 2022-17)**

WHEREAS, the City Council of the City of Benson, County of Swift, State of Minnesota, received grant dollars from Northern State Power (Xcel Energy) as part of the Benson Power LLC biomass plant closing, and;

WHEREAS, these grant dollars are limited in use for the purposes of economic development, and;

WHEREAS, the Council has determined that Sanitary Sewer Collection and treatment improvements qualify as an economic development purpose, and;

WHEREAS, the following project is authorized use of grant dollars:

Name	Budget	Transfer Out
2020 Deferred Maintenance	\$1,442,600	\$173,467.15

NOW, THEREFORE, BE IT RESOLVED that \$173,467.15 as itemized on the attached invoices to be transferred from the NSP Grant Fund to the Sewer Fund.

Councilmember Buyck seconded the foregoing resolution and the following vote was recorded: AYES: Evenson, Olson, Collins, Buyck, Schreck. NAYES: None. Thereupon the Mayor declared Resolution 2022-17 duly passed and adopted.

Mayor Collins said filings for Mayor, and two Councilmembers runs from August 2 – 16, 2022. Councilmembers Buyck, Olson and Collins terms are up at the end of the year. The Mayor encouraged announcing their intentions early to allow time for potential candidates to think about running for office.

There being no further business to come before the Council a motion was made by Evenson seconded by Schreck and carried unanimously to adjourn the Council meeting at 6:10 p.m.

Mayor

City Clerk